
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2021

Session of
1995

INTRODUCED BY SATHER, MERRY, PISTELLA, HENNESSEY, WOZNIAK,
PETTIT, GORDNER, GEIST, SEMMEL, STERN, E. Z. TAYLOR, MILLER,
BAKER, SAYLOR, MAITLAND, STEIL, MICOZZIE, TRELLO, BOSCOLA,
ROBINSON AND RUBLEY, SEPTEMBER 25, 1995

SENATOR ROBBINS, LOCAL GOVERNMENT, IN SENATE, AS AMENDED,
SEPTEMBER 25, 1996

AN ACT

1 Amending the act of August 9, 1955 (P.L.323, No.130), entitled
2 "An act relating to counties of the third, fourth, fifth,
3 sixth, seventh and eighth classes; amending, revising,
4 consolidating and changing the laws relating thereto,"
5 further providing for taking money and property by gift, for
6 creation of a capital reserve fund, for the operating reserve
7 fund, for billing and collecting by the county treasurer, for
8 functions of the controller, for custody of documents, for
9 books of fiscal affairs, for settlement of accounts, for
10 audit of accounts, for claims against a county, for reports
11 to commissioners, for fees of witnesses and jurors, for
12 receipts and accounts of money due a county, for preparation
13 of proposed annual budget, for amending budgets, for levies,
14 for tax rates, for appropriations, for filing the budget, for
15 notice and for the preparation of uniform forms; and
16 providing for refusal to submit to examination and for the
17 procedure for approval.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Sections 510, 512 and 513 of the act of August 9,
21 1955 (P.L.323, No.130), known as The County Code, are repealed.

22 Section 2. Section 1701.1 of the act, amended June 25, 1968
23 (P.L.257, No.121), and December 13, 1982 (P.L.1205, No.276), is

1 amended to read:

2 Section 1701.1. Billing and Collection of Third, Fourth,
3 Fifth, Sixth, Seventh and Eighth Class County Taxes.--(a) The
4 county commissioners of each county of the third, fourth, fifth,
5 sixth, seventh and eighth class may, by resolution, provide for
6 the billing and collecting by the county treasurer of all county
7 and county institution district taxes levied within a third
8 class city by the authorities empowered to levy such taxes.

9 (a.1) The county commissioners of each county of the third,
10 fourth, fifth, sixth, seventh and eighth class may, by
11 resolution, provide for the billing and collection of all county
12 taxes in municipalities existing or organized under the act of
13 April 13, 1972 (P.L.184, No.62), known as the "Home Rule Charter
14 and Optional Plans Law," that have eliminated the elective
15 office of tax collector, by the authorities empowered to levy
16 such taxes.

17 (b) In counties of the third, fourth, fifth, sixth, seventh
18 and eighth class [in which], the county commissioners may
19 provide, by resolution, for the billing and collection of all
20 county and county institution district taxes levied in third
21 class cities[, the]. The county commissioners shall have the
22 power and authority by resolution, to vest in the county
23 treasurer the duties and responsibilities of billing and
24 collecting county and county institution district taxes IN THIRD <—
25 CLASS CITIES. Such resolution shall be adopted by the county no
26 later than the first day for the circulation of nomination
27 petitions for the office of tax collector within the county and
28 shall take effect upon the first day of the next succeeding term
29 of office of tax collector following adoption of the resolution.

30 (b.1) In counties of the third, fourth, fifth, sixth,

1 seventh and eighth class in which the county commissioners
2 provide, by resolution, for the billing and collection of all
3 county taxes levied in municipalities existing and organized
4 under the "Home Rule Charter and Optional Plans Law," that have
5 eliminated the elective office of tax collector, the county
6 commissioners shall have the power and authority, by resolution,
7 to vest in the county treasurer the duties and responsibilities
8 of billing and collecting county taxes.

9 (c) The county commissioners may appoint such other employes
10 as may be necessary to carry out the provisions of this section.

11 (d) The compensation of personnel and other expenses of
12 billing and collecting county and institution district taxes
13 pursuant to this section shall be paid out of the general fund
14 in the county treasury. The compensation and number of such
15 employes other than the county treasurer shall be governed by
16 the provisions of this act relating to the county salary board.
17 If the county treasurer is designated as the collector of the
18 county and county institution district taxes he shall not
19 receive added compensation for performing such functions.

20 (e) The treasurer shall be governed by the provisions of the
21 act of May 25, 1945 (P.L.1050) known as the "Local Tax
22 Collection Law" and its amendments.

23 Section 3. Section 1702 of the act, amended October 1, 1981
24 (P.L.284, No.96), is amended to read:

25 Section 1702. Functions of the Controller.--(a) Subject to
26 the power and duty of the county commissioners to manage and
27 administer the fiscal affairs of the county, the controller
28 shall supervise the fiscal affairs of the county including the
29 accounts and official acts relating thereto of all officers or
30 other persons who shall collect, receive, hold or disburse the

1 public [moneys] assets of the county. The discretionary powers
2 of the controller shall not be applicable to the management of
3 the fiscal policies of the county commissioners, or to matters
4 not involving the accounts and transactions of officers or other
5 persons of the county[, but the controller shall]. The
6 controller may only refuse to authorize any fiscal transaction
7 which is, by law, subject to his supervision or control where it
8 appears that such transaction is not authorized by law, or has
9 not been undertaken according to law, or has not received
10 approval according to law, or as to which he desires upon
11 reasonable grounds to investigate for or has already discovered
12 any fraud, flagrant abuse of public office or any criminal act
13 or neglect of any officer or other person of the county relating
14 to their public accounts and transactions. He may at any time
15 require from any such officers or other persons, in writing, an
16 account of all [moneys or property] assets which may have come
17 into their control. Immediately, on the discovery of any default
18 or delinquency, he shall report the same to the commissioners
19 [who shall immediately take action to recover the money] and to
20 the district attorney of the county for such prosecution as may
21 be warranted, and shall take immediate measures to secure the
22 public [moneys or property] assets.

23 (b) Pursuant to subsection (a), the county commissioners
24 may, for the purpose of meeting Federal or State requirements ~~or~~ <—
25 ~~for the purpose of internal management~~, contract with or employ
26 an independent certified public accountant or public accountant
27 for the purpose of preparing or conducting a report or audit of
28 the fiscal affairs of the county, independent of and/or in
29 addition to, that conducted by the county controller or
30 auditors. Such contracts shall be discussed with the controller

1 prior to execution, and the controller shall be afforded an
2 opportunity to comment.

3 Section 4. Sections 1704 and 1705 of the act are amended to
4 read:

5 Section 1704. Custody of [Valuable] Documents.--The
6 controller shall have the custody of all title deeds to real
7 estate owned by the county, and of all contracts entered into by
8 or on behalf of the county, and of all books, documents and
9 papers relating to its financial affairs, and of all bonds and
10 other obligations issued by said county, when paid. Such bonds
11 and other obligations, when so paid, shall be distinctly
12 cancelled by the controller and carefully and regularly filed, a
13 register of which cancellation shall be kept by him in a book to
14 be provided for that purpose.

15 Section 1705. Books of Fiscal Affairs.--The controller shall
16 keep a full and regular set of books in [detail, by double
17 entry] accordance with generally accepted government accounting <—
18 principles, of all the fiscal operations of the county,
19 embracing as many accounts, under appropriate titles, as may be
20 necessary to meet Federal and State reporting requirements and
21 to show distinctly and separately all the property of the
22 county, its [receipts] revenue and expenditures, and all debts
23 and accounts due by the county officers or others, and the
24 amount raised from each source of revenue, and the expenditures
25 in detail, and classified by reference to the objects thereof.
26 He shall prescribe and administer the form and manner of keeping
27 the official books and papers [used by each of the officers of
28 said county] in connection with the fiscal affairs of the
29 county. Where the controller prescribes a [new system of
30 accounting as to the fiscal affairs of the county offices, it]

change in the form and manner of keeping the official books and papers, any costs necessary for implementation shall be subject to the approval of the county commissioners.

Section 5. Section 1720 of the act, amended May 6, 1981 (P.L.49, No.16), is amended to read:

Section 1720. Controller's Settlement of Accounts; Report to Common Pleas AND THE BOARD OF COUNTY COMMISSIONERS;

Publications; Financial Report to Department of Community

[Affairs] AND ECONOMIC DEVELOPMENT.--(a) The controller shall,

at the end of each fiscal year, complete the audit, settlement and adjustment of the accounts of all county officers. He shall, before the first day of [April in every] the seventh month of each fiscal year, make a report, verified by oath or

affirmation, to the Court of Common Pleas AND THE BOARD OF COUNTY COMMISSIONERS of said county, of all [receipts] revenue and expenditures of the county for the preceding fiscal year, in detail, and classified by reference to the object thereof, together with a full statement of the financial conditions of the county. The report shall be in detail, determining all of the following:

(1) Whether the financial statements of the county fairly represent its financial position and the results of its financial operations are in accordance with generally accepted government accounting principles.

(2) Whether the county has internal accounting and other control systems to provide reasonable assurance that its operation is in compliance with statutes and regulations.

(b) A concise summary of this report shall thereupon be published one time in such newspapers published in said county as the controller may direct[, but the aggregate cost thereof

1 shall not exceed fifteen hundred dollars (\$1500) in any one year
2 in any county], to be paid for out of the county treasury. Such
3 report may also be published in printed pamphlets at the cost of
4 the county, the number and cost of such pamphlets to be
5 determined by the controller and the county commissioners. The
6 controller shall also, before the first day of [April] the
7 seventh month of the fiscal year, make an annual report to the
8 Department of Community [Affairs] AND ECONOMIC DEVELOPMENT of <—
9 the financial condition of the county, on forms furnished by the
10 Secretary of Community [Affairs] AND ECONOMIC DEVELOPMENT, and <—
11 subject to the penalties provided in section one thousand seven
12 hundred twenty-one of this act for auditors refusing or
13 neglecting to make similar reports. Within the summary of the
14 [auditor's or] controller's report, there shall be a notice to
15 the public that the entire text of the report shall be available
16 for public inspection during regular business hours in the
17 office of the [auditor or] controller.

18 Section 6. Section 1721 of the act, amended October 5, 1967
19 (P.L.342, No.147), April 18, 1978 (P.L.36, No.18) and May 6,
20 1981 (P.L.49, No.16), is amended to read:

21 Section 1721. Audit of Accounts by Auditors; Report to
22 Common Pleas AND THE BOARD OF COUNTY COMMISSIONERS; <—
23 Publications; Financial Report to Department of Community
24 [Affairs] AND ECONOMIC DEVELOPMENT.--(a) The auditors shall, in <—
25 accordance with generally accepted auditing standards or, in a <—
26 county which has a controller, in accordance with generally
27 accepted government auditing standards, audit, settle and adjust
28 the accounts of all county officers [of the county], and make an
29 annual report thereof, on or before the first day of the
30 [following May] seventh month following the close of the fiscal

1 year, to the court of common pleas AND THE BOARD OF COUNTY <—
2 COMMISSIONERS, unless upon due cause shown the court shall grant
3 an extension of time therefor. Said report shall be in detail,
4 [showing distinctly and separately all receipts and expenditures
5 of the several offices, and all debts and accounts due, and the
6 amount raised from each source of revenue, and the expenditures
7 in detail and classified by reference to the object thereof,
8 together with a full statement of the financial conditions of
9 the county, and a statement of the balance due from or to such
10 county officers.] determining all of the following:

11 (1) Whether the financial statements of the county fairly
12 represent its financial position and the results of its
13 financial position and the results of its financial operations
14 are in accordance with generally accepted accounting principles. <—
15 ~~or, in a county which has a controller, in accordance with~~ <—
16 ~~generally accepted government accounting principles.~~

17 (2) Whether the county has internal accounting and other
18 control systems to provide reasonable assurance that its
19 operation is in compliance with statutes and regulations.

20 (b) The auditor's report shall be prepared and within ten
21 days after being filed in the court of common pleas, a concise
22 summary thereof shall be published, once, in at least two
23 newspapers published in said county; or if not more than one
24 newspaper is published in the county, then in such newspaper; or
25 if there be no newspaper published in the county, then in one
26 newspaper of general circulation in said county. The expense of
27 the publication of said summary shall be paid by the county.
28 Within the summary of the auditor's [or controller's] report,
29 there shall be a notice to the public that the entire text of
30 the report shall be available for public inspection during

1 regular business hours in the office of the auditor [or
2 controller].

3 (c) The county auditors shall also make an annual report of
4 the financial condition of the county to the Department of
5 Community [Affairs] AND ECONOMIC DEVELOPMENT, which report shall <—
6 be signed by a majority of the auditors, and duly verified by
7 the oath or affirmation of one of the auditors. The report shall
8 be presented on a form furnished by the Secretary of Community
9 [Affairs] AND ECONOMIC DEVELOPMENT, and shall be filed on or <—
10 before the first day of the [following May] seventh month
11 following the close of the fiscal year.

12 (d) Any auditors refusing or wilfully neglecting to file the
13 report required by this section shall, upon conviction thereof,
14 in a summary proceeding brought at the instance of the
15 Department of Community [Affairs] AND ECONOMIC DEVELOPMENT, be <—
16 sentenced to pay a fine of five dollars (\$5) for each day's
17 delay beyond said first day of [May] the seventh month following
18 the close of the fiscal year, and costs. All fines recovered
19 shall be for the use of the Commonwealth.

20 Section 7. Sections 1722, 1722.1, 1723, 1724 and 1724.1 of
21 the act are repealed.

22 Section 8. The act is amended by adding a section to read:

23 Section 1724.2. Audits.--(a) It shall be the duty of the
24 controller or auditors to annually audit, settle and adjust the <—
25 following in accordance with generally accepted auditing
26 standards or, in a county which has a controller, with generally
27 accepted government auditing standards and SETTLE AND ADJUST THE <—
28 FOLLOWING IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
29 PRINCIPLES AND applicable Federal and State laws:

30 (1) Accounts of every district justice within the county.

1 (2) Accounts for moneys appropriated by the county to units
2 of the Pennsylvania National Guard.

3 (3) Accounts for taxes, penalties, costs and fines collected
4 by the county treasurer and belonging to a political subdivision
5 or to the Commonwealth.

6 (4) Accounts for moneys collected or disbursed by the county
7 prothonotary, the county clerk of courts, the register of wills,
8 the recorder of deeds, the clerk of the orphans' court, the
9 sheriff, the district attorney or any subdivision of the court
10 of common pleas.

11 (b) Reports of such audits shall be made to both the court
12 of common pleas and the board of county commissioners, together
13 with a statement of balances due from or to the appropriate
14 officer. Such report may include a determination of whether the
15 accounts or operations conform to IN generally accepted <—
16 accounting principles or, in a county which has a controller, to <—
17 generally accepted government accounting principles. A certified
18 copy of such report shall be forwarded to the Auditor General or
19 the Department of Revenue, as the case may be, within ten days
20 after it is prepared.

21 (c) For the purposes of this act relating to the audits of
22 accounts, money held by any county official in escrow shall be
23 deemed the same as county funds or public money and shall be
24 audited by the controller or auditors.

25 (d) The controller or auditors may, in accordance with
26 generally accepted auditing standards or, in a county which has
27 a controller, in accordance with generally accepted government
28 auditing standards, audit, settle and adjust the accounts or
29 review the operations of any officer or other person who
30 collects, receives, holds or disburses the public assets of the

1 county, and may determine whether the accounts or operations
2 conform to IN generally accepted accounting principles. or, in a <—
3 county which has a controller, to generally accepted government
4 accounting principles.

5 (e) The controller or auditors may, in accordance with
6 generally accepted auditing standards or, in a county which has
7 a controller, in accordance with generally accepted government
8 auditing standards and for the purpose of inclusion of the
9 accounts in the county's general purpose financial statements,
10 audit, settle and adjust the accounts and analyze the operations
11 of any authority that collects, receives, holds or disburses
12 public assets of the county, and may determine whether the
13 accounts or operations conform to IN generally accepted <—
14 accounting principles. or, in a county which has a controller, <—
15 to generally accepted government accounting principles. To
16 comply with the provisions of this subsection, the controller or
17 auditors may utilize any existing audit of the authority
18 required by law.

19 (f) If the controller or auditors and county commissioners
20 disagree about the application of generally accepted accounting
21 or government principles or of Federal or State law in an audit, <—
22 settlement or adjustment, the parties shall appoint a mutually
23 agreed to professional with expertise relevant to the dispute to
24 settle the dispute. If the controller or auditors and county
25 commissioners are not able to agree on the appointment, the
26 appointment of a professional to settle the dispute shall be
27 made by the court of common pleas of the county from a list of
28 names, three of which are furnished by the controller or
29 auditors and three of which are furnished by the county
30 commissioners.

1 Section 9. Sections 1727 and 1750 of the act are amended to
2 read:

3 Section 1727. [Commitment to County Jail] Refusal to Submit
4 to Examination.--If any person appearing before the controller
5 or auditors for examination shall refuse to take oath or
6 affirmation, or after having been sworn or affirmed shall refuse
7 to make answer to such questions as shall be put to him by the
8 controller or auditors touching the public accounts or the
9 official conduct of any public officers, he shall be guilty of a
10 misdemeanor [and, upon conviction thereof, shall be sentenced to
11 pay a fine of not more than two hundred dollars (\$200), or to
12 undergo imprisonment for not more than sixty days].

13 Section 1750. Claims Against County.--The controller or the
14 county commissioners in counties having no controller shall
15 scrutinize, audit and decide on all bills, claims and demands
16 whatsoever against the county, except such as are otherwise
17 provided for in this subdivision. All persons having such claims
18 shall first present the same to the controller or to the county
19 commissioners [as the case may be] and, if required, make oath
20 or affirmation before him or them to the correctness thereof.
21 The controller or the commissioners, as the case may be, may, if
22 he or they deem it necessary, require evidence, by oath or
23 affirmation, of the claimant and otherwise that the claim is
24 legally due and that the supplies or services for which payment
25 is claimed have been furnished or performed under legal
26 authority. He or they may inquire or ascertain whether any
27 officer or agent of the county is interested in the contract
28 under which any claim may arise, or has received or is to
29 receive any commission, consideration or gratuity relating
30 thereto, or whether there has been any evasion of the provisions

1 of this act by making two or more contracts for small amounts
2 which should have been in one. If he or they shall find that
3 there has been any evasion, or that any such officer or agent is
4 so interested, he or they shall refuse to approve the claim.

5 Section 10. Section 1751 of the act, amended July 1, 1978
6 (P.L.723, No.129), is amended to read:

7 Section 1751. [Voucher Check System] Procedure for
8 Approval.--The controller shall [draw and certify vouchers for]
9 date, upon receipt, all bills, claims and demands presented to
10 him, which he approves and only for such as he approves, and
11 shall forward [the vouchers together with checks therefor with]
12 the bills, claims or demands along with checks therefor to the
13 county commissioners for their approval or, if already approved
14 by the commissioners, for their signatures as provided in this
15 section. If the county commissioners approve [a voucher] payment
16 of a bill, claim or demand, at least two commissioners shall
17 sign the check as properly drawn upon the county treasury. In
18 such cases facsimiles of their signatures may be used. The bill,
19 claim or demand[, and the voucher therefor,] shall be returned
20 to the controller for filing in his office and the check shall
21 be forwarded to the county treasurer. The county treasurer shall
22 sign the check as his draft upon the county treasury, but he
23 shall not sign any check not already signed, as herein provided,
24 by the commissioners and the controller. [Vouchers shall be
25 numbered serially before the controller forwards them to the
26 county commissioners and every check incident thereto shall bear
27 the same serial number as the voucher] Every check issued shall
28 include reference to its corresponding bill, claim or demand as
29 well as the number or numbers which may be put upon it by the
30 county treasurer. If the county commissioners refuse to approve

1 any bill, claim or demand, they shall return the same together
2 with the voucher and check involved to the controller for filing
3 in his office. In counties not having a controller, the county
4 commissioners shall approve each transaction and the [voucher
5 and] check shall be drawn by their chief clerk who shall keep
6 files of the bills, claims or demands involved [and of the
7 vouchers]. At least two commissioners shall sign the checks
8 either personally or by facsimile, and they shall be forwarded,
9 TOGETHER WITH A CHECK REGISTER OR SIMILAR DESCRIPTION OF THE <—
10 CORRESPONDING BILL, CLAIM OR DEMAND, as hereinbefore provided,
11 to the county treasurer for his signature. In all cases the
12 cancelled checks, or official bank record thereof, shall be
13 filed in the office of the county treasurer, but he shall
14 transmit, at such times as the controller shall establish, a
15 list of all checks paid from the county treasury and not
16 previously transmitted, [giving their voucher serial numbers]
17 along with appropriate identification. The county treasurer and
18 the controller in those counties having a controller are
19 authorized to use a facsimile signature on any check [for the
20 payment of wages or salaries of county employees] which they are
21 required to sign. NOTHING IN THIS SECTION SHALL PRECLUDE THE <—
22 RECEIPT OR TRANSFER OF FUNDS TO OR FROM THE COUNTY, OR PAYMENT
23 OF A BILL, CLAIM OR DEMAND, BY ELECTRONIC FUND TRANSFER,
24 PROVIDED THAT ADEQUATE AND RECOGNIZED FISCAL AND PROCEDURAL
25 CONTROLS, TOGETHER WITH PROPER SYSTEM SECURITY, ARE IN PLACE.

26 Section 11. Sections 1752, 1753, 1754 and 1760 of the act
27 are amended to read:

28 Section 1752. Claims Not Approved by Controller.--If the
29 controller does not approve a claim, bill or demand presented to
30 him, he shall within thirty days forward it to the county

1 commissioners together with his notice that he has [refused]
2 disapproved the claim, bill or demand or is unable to approve
3 the same and his reasons therefor. The county commissioners
4 shall consider the claim, bill or demand and, if they consider
5 that it should be paid by the county, they shall so notify the
6 controller. If the controller thereafter continues to refuse his
7 approval no payment shall be made thereon by the county except
8 pursuant to an order of court upon a proper issue thereto
9 directing the controller to approve payment.

10 Section 1753. [Controller's Register of Vouchers;] Reports
11 to Commissioners.--[The controller shall keep a register of all
12 vouchers drawn and a copy of each voucher. When the check or
13 checks drawn upon each voucher has been paid by the treasury the
14 controller shall cancel the voucher or otherwise indicate the
15 payment.] The controller shall report to the commissioners
16 monthly or oftener, if required by them, the amount of
17 outstanding checks registered and the amount of money in the
18 treasury or the amount of any particular unencumbered
19 appropriation items involved.

20 Section 1754. Fees of Witnesses and Jurors.--Fees of jurors
21 and witnesses shall be ascertained by the courts of the county
22 entered upon the records thereof and duly certified by their
23 respective clerks to the commissioners being first sworn to or
24 affirmed before the controller or the chief clerk of the
25 commissioners as the case may be. The commissioners, then, may
26 draw [voucher] checks therefor without approval of the
27 controller. The certificates shall be filed with the controller
28 or the commissioners where there is no controller after the
29 [voucher] checks are issued.

30 Section 1760. Receipts and Accounts of Money Due County.--

1 The county treasurer shall receive and receipt for all moneys
2 due or accruing to the county. He shall keep proper accounts of
3 all moneys received and disbursed. His books shall be, at all
4 times during office hours, open to the inspection of the
5 controller[, or] ~~and, for inspection or other management~~ <—
6 ~~purpose, to~~ the commissioners, or any of them in counties having
7 no controller. He shall issue receipts, at least in triplicate,
8 for all moneys received for the county, and shall transmit the
9 duplicate or triplicate thereof daily to the controller, or to
10 the county commissioners in counties having no controller. Said
11 receipts shall be serially numbered, shall indicate the amount
12 of money received, from whom, on what account and the date. He
13 shall likewise keep daily records of all disbursements from the
14 county treasury, and shall forward daily records thereof to the
15 controller, or the commissioners as the case may be. The
16 controller, or the chief clerk of the commissioners where there
17 is no controller, shall have the right to a certified daily or
18 monthly deposit slip from the county depository or depositories,
19 without prejudice to the said depositories, of all moneys
20 deposited in the name of the county by the treasurer. In
21 counties having no controller, the treasurer shall render, at
22 least quarterly and oftener, if required, a statement of all
23 moneys received and disbursed since his last statement, showing
24 the balance remaining in his accounts and the names of the
25 collectors having arrearages in taxes with the amounts thereof.
26 He shall state his accounts at the end of each fiscal year,
27 [producing his vouchers,] which statement [and vouchers] shall <—
28 be examined by the commissioners and delivered by them to the
29 auditors for settlement.

1 added December 14, 1967 (P.L.831, No.357), are amended to read:

2 Section 1781. Preparation of Proposed Annual Budget.--(a)

3 The commissioners, at least [thirty] ninety days prior to
4 adopting the budget, shall begin the preparation of the proposed
5 budget for the succeeding fiscal year.

6 (b) [The] At the request of the commissioners, but in no
7 case less than ninety days prior to the deadline for adoption of
8 the budget by the commissioners, the controller shall transmit
9 to the commissioners a comparative statement of revenues for the
10 current and the immediately preceding fiscal year, fund balances
11 projected for the close of the current fiscal year, and a
12 comparative statement of expenditures, including interest due
13 and to fall due on all lawful interest bearing debts of the
14 county for the same years.

15 (c) The controller's statement shall also indicate the
16 amounts of all appropriation requests, submitted to the
17 controller or to the commissioners and supplied by them to the
18 controller, from the several county offices and agencies,
19 including estimates of expenditures contemplated by the
20 commissioners as forwarded by them to the controller.

21 (d) Said statements[, in such form and detail as the
22 commissioners direct,] shall be prepared [upon a form or forms
23 furnished, as provided in this subdivision, by the Department of
24 Community Affairs of the Commonwealth] in such reasonable form
25 and detail as the commissioners direct. With this information as
26 a guide, the commissioners shall, within a reasonable time,
27 begin the preparation of a proposed budget for the succeeding
28 fiscal year.

29 (e) In counties not having a controller, the commissioners
30 shall prepare the statements hereinbefore required.

1 Section 1782.1. Amending Budget; Notice.--During the month
2 of January next following any municipal election the
3 commissioners of any county may amend the budget and the levy
4 and tax rate to conform with its amended budget. A period of ten
5 days' public inspection at the office of the chief clerk of the
6 proposed amended budget, after notice by the chief clerk to that
7 effect is published once in a newspaper as provided in section
8 110 of this act, shall intervene between the proposed amended
9 budget and the adoption thereof. Any amended budget must be
10 adopted by county commissioners on or before the fifteenth day
11 of February.

12 No such proposed amended budget shall be revised upward in
13 excess of ten per centum in the aggregate thereof or as to an
14 individual [item] function in excess of twenty-five per centum
15 of the amount of such individual [item] function in the proposed
16 amended budget.

17 Within fifteen days after the adoption of an amended budget
18 the chief clerk shall file a copy thereof in the office of the
19 Department of Community [Affairs] AND ECONOMIC DEVELOPMENT. <—

20 Section 13. Section 1783 of the act, amended October 5, 1967
21 (P.L.342, No.147), is amended to read:

22 Section 1783. Annual Budget Appropriations and Tax Rate;
23 Filing Budget.--The budget shall reflect as nearly as possible
24 the estimated revenues and expenditures for the year for which
25 it is prepared. [It shall be prepared on forms provided in
26 accordance with this subdivision by the Department of Community
27 Affairs.] The commissioners shall, upon adopting the budget,
28 adopt the appropriation measures required to put it into effect,
29 and shall fix such rate of taxation upon the valuation of the
30 property taxable for county purposes as will, together with all

1 other estimated revenues of the county, excluding operating,
2 capital and other reserve funds, raise a sufficient sum to meet
3 the said expenditures. Within fifteen days after the adoption of
4 the budget, the commissioners shall file a copy thereof in the
5 office of the Department of Community [Affairs] AND ECONOMIC <—
6 DEVELOPMENT on forms provided in accordance with this
7 subdivision by the Department of Community Affairs ~~AND ECONOMIC~~ <—
8 DEVELOPMENT.

9 Section 14. The act is amended by adding sections to read:

10 Section 1784.1. Take Money and Property by Gift, Etc.--The
11 county commissioners may take by gift, grant, devise or bequest,
12 any money or property, real, personal or mixed, for the benefit
13 of the county.

14 Section 1784.2. Capital Reserve Fund for Anticipated Capital
15 Expenditures.--(a) The county commissioners shall have the
16 power to create and maintain a separate capital reserve fund for
17 anticipated legal capital expenditures. The money in the fund
18 shall be used, from time to time, for the construction, purchase
19 or replacement of or addition to county buildings, equipment,
20 machinery, motor vehicles or other capital assets of the county,
21 and for no other purpose.

22 (b) The county commissioners may, annually, appropriate
23 moneys from the general county funds, not to exceed ten per
24 centum of the county operating budget, to be paid into the
25 capital reserve fund, or place in the fund any moneys received
26 from the sale, lease or other disposition of any county property
27 or from any other source, unless received or acquired for a
28 particular purpose. The fund shall be controlled, invested,
29 reinvested and administered, and the moneys therein and income
30 from such moneys expended, for any of the purposes for which the

fund is created, in such manner as may be determined by the county commissioners. The money in the fund, when invested, shall be invested in a manner consistent with the provisions of section 1706. This subsection shall not be construed to limit the powers of the county to the use of moneys in the capital reserve fund in making lawful capital expenditures.

Section 1784.3. Operating Reserve Fund.--(a) The county commissioners shall have the power to create and maintain a separate operating reserve fund in order to minimize future revenue shortfalls and deficits, provide greater continuity and predictability in the funding of vital government services, minimize the need to increase taxes to balance the budget in times of fiscal distress, provide the capacity to undertake long-range financial planning and develop fiscal resources to meet long-term needs.

(b) The county commissioners may annually make appropriations from the county general fund to the operating reserve fund, but no appropriation shall be made to the operating reserve fund if the effect of the appropriation would cause the fund to exceed five per centum of the estimated revenues of the county's general fund in the current fiscal year.

(c) The commissioners may at any time, by resolution, make appropriations from the operating reserve fund for the following purposes only:

(1) to meet emergencies involving the health, safety or welfare of the residents of the county;

(2) to counterbalance potential budget deficits resulting from shortfalls in anticipated revenues or program receipts from whatever source; or

1 (3) to provide for anticipated operating expenditures
2 related either to the planned growth of existing projects or
3 programs or to the establishment of new projects or programs if
4 for each project or program appropriations have been made and
5 allocated to a separate restricted account established within
6 the operating reserve fund.

7 (d) The operating reserve fund shall be invested, reinvested
8 and administered in a manner consistent with the provisions of
9 section 1706.

10 Section 15. Section 1785 of the act, amended October 5, 1967
11 (P.L.342, No.147), is amended to read:

12 Section 1785. Committee to Prepare Uniform Forms.--(a) The
13 [budget and] report forms specified in the foregoing sections of
14 this article shall be prepared by a committee consisting of
15 three representatives from the [Pennsylvania State Association
16 of] County Commissioners Association of Pennsylvania, three
17 representatives from the Pennsylvania State Association of
18 County Controllers, one certified public accountant, one member
19 of the Senate and one member of the House of Representatives of
20 the General Assembly, who shall be members of the Local
21 Government Commission, designated by the chairman of said
22 commission, and the Secretary of Community [Affairs] AND <—
23 ECONOMIC DEVELOPMENT or his agent who shall be a person trained
24 in the field of municipal finance.

25 (b) [Such] Except for the certified public accountant, who
26 shall be appointed by the Governor, such representatives shall
27 be appointed by the president of each said organization. In the
28 case of representatives of the county commissioners, one shall
29 be appointed from a county of either the third or fourth class,
30 one from a county of either the fifth or sixth class, and one

1 from a county of either the seventh or eighth class. The
2 president of each said organization shall supply to the
3 Department of Community [Affairs] AND ECONOMIC DEVELOPMENT the <—
4 names and addresses of such representatives immediately upon
5 their appointment. Said representatives shall serve without
6 compensation, but they shall be reimbursed by the Commonwealth
7 for all necessary expenses incurred in attending meetings of the
8 committee.

9 (c) The committee shall meet at the call of the Secretary of
10 Community [Affairs] AND ECONOMIC DEVELOPMENT or his agent, who <—
11 shall serve as chairman of the committee. The Secretary of
12 Community [Affairs] AND ECONOMIC DEVELOPMENT may call meetings <—
13 of the committee, and shall do so at the request of the
14 secretary of either of said associations, but in every case
15 there shall be at least two weeks' notice to each member of the
16 committee of any such meeting.

17 (d) In preparing the uniform forms for both budgets and
18 annual reports, the committee shall give careful consideration
19 to the differing legal requirements and needs of the counties of
20 the several classes, producing, if necessary, separate forms for
21 certain classes of counties or groups of classes.

22 (e) It shall be the duty of the Secretary of Community
23 [Affairs] AND ECONOMIC DEVELOPMENT or his agent to see to it <—
24 that the forms required by this section are prepared in
25 cooperation with said committee. Should said committee for any
26 reason fail to furnish such cooperation, the Secretary of
27 Community [Affairs] AND ECONOMIC DEVELOPMENT or his agent shall <—
28 complete the preparation of the forms. After their preparation,
29 he shall issue said forms and distribute them annually, as
30 needed, to the commissioners, controller or auditors of each

1 county.

2 (f) It shall be the duty of the Secretary of Community
3 ~~[Affairs]~~ AND ECONOMIC DEVELOPMENT to include within the budget <—
4 and report forms specified in this article the changes
5 necessitated by the provisions of this act in regard to
6 property, powers, duties and obligations of institution
7 districts transferred to counties and the committee established
8 by this section shall not be responsible therefor.

9 (g) It shall be the duty of the Secretary of Community
10 ~~Affairs~~ AND ECONOMIC DEVELOPMENT to convene the committee to <—
11 assist counties in coming into compliance with ~~applicable~~ <—
12 GENERALLY ACCEPTED accounting principles. <—

13 Section 16. This act shall take effect as follows:

14 (1) The amendment of section 1705 of the act relating to
15 generally accepted ~~government~~ accounting principles shall <—
16 take effect the third full fiscal year following the
17 enactment of this act.

18 (2) The amendment of sections 1721 and 1724.2 of the act
19 relating to audits undertaken in accordance with generally
20 accepted auditing ~~and government auditing~~ standards OR <—
21 GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS, WHICHEVER
22 IS APPLICABLE, shall take effect the third full fiscal year
23 following the enactment of this act.

24 (3) This section shall take effect immediately.

25 (4) The remainder of this act shall take effect in 60
26 days.